

To: File

From: Michael Jensen, DOE GC-71

Date: August 30, 2010

Re: Ex parte discussion with Thomas R. Arnold, Chairman of T.R. Arnold & Associates, Inc.

On August 25, 2010, Michael Jensen (GC-71) spoke with Thomas R. Arnold, Chairman of T.R. Arnold & Associates, Inc. (TRA), on his company's role as both a production inspection primary inspection agency (IPIA) and as a design approval primary inspection agency (DAPIA) under the U.S. Department of Housing and Urban Development (HUD) manufactured housing program.

First, Mr. Arnold provided information about TRA, including information on his staff and explained that TRA reviews, approves, and inspects both manufactured and modular housing. Mr. Arnold mentioned that manufacturers would not have a problem adhering to new energy efficiency standards in line with the most recent version of the International Energy Conservation Code (2009) because the marketplace is expecting more energy efficient homes and most manufacturers are already building homes that exceed current standards. Specifically, he noted that a growing percentage of homes are being built to comply with ENERGY STAR standards and, to a lesser degree, with the U.S. Environmental Protection Agency's Indoor Air Plus program.

Mr. Arnold mentioned that new energy efficiency standards would not significantly alter the way that TRA conducts design approval and in-plant inspections. Mr. Arnold discussed how TRA conducts DAPIA and IPIA reviews and noted that TRA's design approval process and in-plant quality assurance checks would remain the same, the additional requirements being compliance verification with the new energy efficiency standards. He mentioned that nominal fees to the manufacturer would essentially remain the same because new regulations would require manufacturers to submit updated information for review by TRA, which would be accommodated by using the normal TRA design review process.

Finally, Mr. Arnold suggested that any system for assuring compliance with the new energy efficiency standards should include the HUD-approved DAPIAs and IPIAs because: (1) the HUD inspection system currently in place is very effective; (2) manufacturers are used to this system of compliance regulation; (3) the DAPIA/IPIA system has the ability to adapt to additional required points of inspection; and (4) HUD routinely conducts on-site monitoring of the DAPIA/IPIA process by sending out their own "contract agents."

End of conversation.